

Message Text

CONFIDENTIAL

PAGE 01 ROME 15184 021737Z

50

ACTION EUR-12

INFO OCT-01 ISO-00 SSO-00 CCO-00 NSCE-00 INRE-00 USIE-00

CIAE-00 DODE-00 PM-03 H-01 INR-05 L-01 NSAE-00 NSC-05

PA-01 RSC-01 PRS-01 SP-02 SS-15 COME-00 EB-04 LAB-01

SIL-01 NIC-01 OMB-01 /056 W

----- 089801

Z 021645Z NOV 74

FM AMEMBASSY ROME

TO SECSTATE WASHDC FLASH 7851

C O N F I D E N T I A L ROME 15184

DEPARTMENT PASS SECRETARY'S PARTY

EO 11652: GDS

TAGS: PINT, IT

SUBJECT: ITALIAN GOVERNMENT CRISIS UNRESOLVED

1. SUMMARY: ITALY CONTINUES TO SEARCH FOR A GOVERNMENT WITH NO SOLUTION TO CRISIS YET IN SIGHT. END SUMMARY.

2. HARSH PSDI JUDGEMENT OF COURSE OF COALITION GOVERNMENT FORCED PRIME MINISTER RUMOR'S RESIGNATION IN EARLY OCTOBER, AND PUT IN QUESTION THE FOUR-PARTY CENTER-LEFT FORMULA WHICH, BUT FOR ONE BRIEF CENTER-RIGHT EXPERIMENT ('72 - '73), HAS GOVERNED ITALY SINCE 1963. THE BASIC AND INTER-ACTING FACTORS BEHIND THE SPLIT ARE: DIFFERENCES OF VIEW AS TO THE WAY TO CONFRONT WORSENING ECONOMIC SITUATION AND THE THREAT OF LARGE-SCALE UNEMPLOYMENT, AND; THE GROWING UNWILLINGNESS OF THE PSDI TO ACCEPT SOCIALIST COMPORTMENT IN THE COALITION, PARTICULARLY PSI INSISTENCE ON A LARGER ROLE IN GOVERNMENT DECISIONS FOR THE COMMUNIST OPPOSITION AND THE LABOR UNIONS.

3. THE FANFANI CANDIDACY: FANFANI, THE UNANIMOUS CHOICE OF HIS PARTY, RELUCTANTLY ACCEPTED A MANDATE TO FORM A NEW GOVERNMENT. THE DC, EXCEPTIONALLY, AGREED HE COULD RETAIN THE INFLUENTIAL
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 ROME 15184 021737Z

PARTY SECRETARYSHIP EVEN WERE HE TO BECOME PREMIER. HIS PARTY

MANDATE WAS LIMITED: REESTABLISHMENT OF A FULL AND COHESIVE FOUR-PARTY COALITION. HIS INTENSIVE AND METHODICAL NEGOTIATIONS CAME TO NAUGHT ESSENTIALLY DUE, ON THE ONE HAND, TO PSI UNWILLINGNESS TO ACCEPT HIS PROGRAM AND, ON THE OTHER, PSDI UNWILLINGNESS TO ENTERTAIN POLITICAL CONCESSIONS IN THE FANFANI PROGRAM WHICH MIGHT HAVE BROUGHT THE PSI AROUND.

4. AMONG THE CONTENTIOUS AND UNRESOLVED ISSUES WERE (A) PSI DEMANDS, REJECTED BY FANFANI, THAT HIS ECONOMIC PROGRAM BE ACCEPTABLE TO THE LABOR UNIONS, AND (B) FANFANI'S (AND THE PSDI'S) VIGOROUS INSISTENCE ON A CLEAR LINE OF DEMARCATION BETWEEN THE GOVERNMENT AND THE PCI, AS CONTRASTED WITH THE PSI ADVOCACY OF MAKING THE COMMUNISTS "CO-RESPONSIBLE" FOR THE ECONOMIC PROGRAM (PRESUMABLY THROUGH SOME FORM OF REGULAR CONSULTATIONS WITH THE PCI).

5. THE MORO CANDIDACY: FOLLOWING FANFANI'S FAILURE (OCTOBER 23) TO EFFECT THE NECESSARY COMPROMISES, AILING FOREIGN MINISTER MORO ACCEPTED THE MANDATE FROM LEONE. MORO, A LEFT-WING CHRISTIAN DEMOCRAT, HAS A MORE MODEST OBJECTIVE THAN HAD FANFANI: FORMATION OF A TRANSITION GOVERNMENT (DC OR DC/PRI) WHICH WOULD BE SUPPORTED IN PARLIAMENT BY THE PSI AND PSDI. HE HOPES THEREBY TO KEEP A DE FACTO FOUR-PARTY MAJORITY UNTIL CIRCUMSTANCES PERMIT THE SOCIALIST AND SOCIAL DEMOCRATS TO REJOIN THE GOVERNMENT, PERHAPS FOLLOWING THE REGIONAL ELECTIONS SLATED FOR LATE SPRING, 1975. MORO HAS BEGUN HIS CONSULTATIONS BUT IS NOT EXPECTED TO FINISH THEM UNTIL AFTER NOVEMBER 5.

6. COMMENT: MORO'S CHANCES LOOK SLIM. THE PSDI IS UNLIKELY TO SUPPORT A GOVERNMENT WHOSE PRINCIPAL RAISON D'ETRE IS INTERIM SURVIVAL, WITH NO ASSURANCE AGAINST WHAT THE PSDI SEES AS A LEFTWARD DRIFT. MOREOVER, THE DC'S CENTER AND CONSERVATIVE COMPONENTS WOULD LIKELY OBSTRUCT ANY SHIFT TO THE LEFT WHICH WOULD EXPOSE THE DC RIGHT FLANK. THE SOCIALISTS WILL LIKELY BE MORE AMENABLE TO THE EXCLUSION OF BOTH PSI AND PSDI. PRIOR TO ELECTIONS THEY MAY PREFER NOT TO BE IDENTIFIED, IN THE MINDS OF THE WORKING CLASS ELECTORATE, WITH THE GOVERNMENT'S AUSTERITY PROGRAM, RISING UNEMPLOYMENT, AND HIGHER PRICES. ANOTHER POTENTIAL PLUS FOR MORO IS THAT THE PCI IS DOING NOTHING TO MAKE THINGS MORE DIFFICULT FOR HIM. THE
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 ROME 15184 021737Z

COMMUNISTS EXPECT TO SCORE SIGNIFICANT GAINS IN THE SPRING REGIONAL ELECTIONS. IN THE INTERVAL, THEY CONTINUE SEEKING TO ESTABLISH THEIR LONG-SOUGHT CREDENTIALS AS A MAJOR, NATIONAL AND RESPONSIBLE POLITICAL PARTY WITH A RIGHT TO SHARE IN GOVERNMENT.

7. THE CHRISTIAN DEMOCRATS ARE IN A DILEMMA. UNABLE TO CHOOSE EITHER THE PSI OR THE PSDI, AND FEARFUL OF LOSING GROUND IN EITHER

NATIONAL OR REGIONAL ELECTIONS, THEY WILL BE FACED WITH HARD CHOICES SHOULD MORO FAIL. IN THAT CASE, FANFANI AND THE DC CENTER-RIGHT MAY HAVE TO CONSIDER, AS THE LEAST OF EVILS, AND ATTEMPT TO TEMPORIZE UNTIL SPRING WITH A MINORITY GOVERNMENT, AND THEN GO TO THE COUNTRY WITH NATIONAL ELECTIONS, POSTPONING THE REGIONAL ELECTIONS UNTIL FALL.VOLPE

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: COALITION GOVERNMENT, POLITICAL SUMMARIES, OPPOSITION PARTIES
Control Number: n/a
Copy: SINGLE
Draft Date: 02 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: smithrj
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ROME15184
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D740314-0498
From: ROME
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741176/aaaacmyc.tel
Line Count: 121
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators:
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: smithrj
Review Comment: n/a
Review Content Flags:
Review Date: 22 MAY 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <22 MAY 2002 by ifshinsr>; APPROVED <18 MAR 2003 by smithrj>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ITALIAN GOVERNMENT CRISIS UNRESOLVED
TAGS: PINT, PGOV, IT, (FANFANI, AMINOTORE), (MORO)
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005